

Message Text

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ACTION NEA-07

INFO OCT-01 SS-14 ISO-00 EB-04 INR-05 CIAE-00 NSC-05
L-01 SP-02 /039 W

-----061647 121639Z /50

P R 121105Z SEP 77
FM USLO RIYADH
TO TREASURY DEPT WASHDC PRIORITY 009
INFO AMEMBASSY JIDDA
SECSTATE WASHDC 0099

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LIMDIS

TREASURY FOR BOWDEN (OASIA) FROM HUMMON (USREP)
JIDDA FOR DANIELS
SECSTATE FOR NEA/ARP

E.O. 11652: N/A
TAGS: EAID/ SA
SUBJECT: HOTWIRE: STEPS TO RESOLVE PROBLEMS AT NASSERIAH

1. PERMANENT INSTALLATION:

(A) WE APPEAR TO HAVE MADE SOME PROGRESS TODAY, SEPTEMBER 11, ON THE PERMANENT INSTALLATION. BAWARDY HAD PREVIOUSLY TOLD PASINI THAT HE NO LONGER HAS A PROBLEM ON THE PERMANENT INSTALLATION RECOMMENDED BY OAAI. THERE WAS, HOWEVER, A QUESTION OF CLEARING THE SITE OF AN OLD BUILDING AND OF MOVING CONTAINERS WITH EQUIPMENT. BAWARGH SAID HE HAS NO MONEY FOR THIS PURPOSE. HOWEVER, HE HAD ORALLY AUTHORIZED PASINI TO MOVE THE CONTAINERS AND TO DEMOLISH THE BUILDING USING GE EQUIPMENT AND MANPOWER.

(B) PASINI TODAY, BASED ON AN AUTHORIZATION FROM OAAI DETROIT, TOLD NASSERIAH ACTING DIRECTOR AUWAD (BAWARDY IS AWAY ON VACATION UNTIL SEPTEMBER 19) THAT GE WOULD CLEAR THE SITE. AUWAD WAS VERY
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PLEASED. THERE WAS NO DISCUSSION OF FUNDING AND USREP HOPES CLEARING SITE CAN BE INCLUDED IN AMOUNT ALREADY AVAILABLE.

2. TEMPORARY CONNECTION AND EARLY TESTING OF ENGINES:

(A) THE MAJOR ISSUE REMAINING IN THE TOTAL PROJECT NOW IS QUESTION OF PRELIMINARY TESTING OF EQUIPMENT WITH A TEMPORARY CONNECTION. OAAI/DETROIT TAKES POSITION, AS

WE UNDERSTAND IT, THAT EARLY TESTING WILL MAKE POSSIBLE EARLIER REPAIRS OF ANY DEFECTS AND ENSURE EARLIER AVAILABILITY OF ELECTRIC POWER. ON THE OTHER HAND, BAWARDY IS NOT PREPARED TO PERMIT TESTING AT THIS TIME IN THE ABSENCE OF (1) A 100 PERCENT GUARANTEE THAT OAAI WILL BE RESPONSIBLE FOR ANY DISRUPTION OF POWER TO THE ROYAL PALACES OR ANY DAMAGE TO THE NASSERIAH POWER PLANT; OR (2) THAT THE MINISTRY OF FINANCE WILL ABSOLVE HIM OF ANY RESPONSIBILITY. IT APPEARS THE MINISTRY OF FINANCE IS NOT GOING TO TAKE ANY ACTION ON THIS AND UNTIL NOW OAAI HAS BEEN UNWILLING TO GIVE SUCH A GUARANTEE. THERE MAY BE, IN FACT, SOME DANGER THAT THE EXISTING PLANT MIGHT BE ADVERSELY AFFECTED IN ANY TESTING BECAUSE OF IT HAVING SOME "BALING WIRE AND GLUE" ASPECTS. BAWARDY, OF COURSE, HAD ORIGINALLY AGREED TO AN EARLY TESTING OF ENGINES WITH AN OVERHEAD CONNECTION TO RIYADH ELECTRIC BUT RIYADH ELECTRIC DID NOT HAVE THE NECESSARY EQUIPMENT FOR THAT PURPOSE AND BAKER OF OAAI STATED AT THE TIME HE WAS UNABLE TO LOCATE EQUIPMENT ELSEWHERE. IN ANY EVENT, THAT IS APPARENTLY NOT A VIABLE ALTERNATIVE NOW.

(B) BAWARDY HAS TOLD PASINI HE IS PREPARED TO HAVE TESTING OF THE ENGINES AT THE TIME OF FINAL INSTALLATION SINCE HE HAS NO CHOICE IF THE GENERATORS ARE TO BE USED. IN EFFECT, HE IS MINIMIZING HIS RISKS BY REFUSING TO TEST IN ADVANCE WITH THE TEMPORARY CABLE. BAWARDY INSISTS, ACCORDING TO PASINI, THAT WHILE THERE WAS LIMITED OFFICIAL USE

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ORIGINALLY AN URGENT NEED FOR INCREASED POWER, HE DOES NOT NEED IT NOW AND WILL NOT UNTIL EARLY SPRING 1978. HE WANTS OAAI-GE TO MOVE AHEAD WITH THE FINAL INSTALLATION AS QUICKLY AS POSSIBLE.

(C) I HAVE NOT DISCUSSED THE SITUATION WITH BAWARDY SINCE HIS RETURN FROM THE STATES EXCEPT IN ONE VERY BRIEF CONVERSATION A DAY OR SO AFTER HIS RETURN. WE HAVE BEEN HOPING THAT THE SITUATION WOULD BE WORKED OUT WITHIN THE MINISTRY. HE REPORTEDLY TOLD PASINI BEFORE HIS DEPARTURE ON LEAVE THAT OAAI "USED TO BE HIS CONSULTANT AND HAS NOW BECOME HIS OPPONENT". HE APPARENTLY HAS STRONG SUPPORT FOR HIS POSITION AND IS WILLING TO TAKE A FEW CUFFS TO STAND UP FOR IT. A CONTINUING IMPASSE BETWEEN OAAI-BAWARDY WILL ONLY LEAD TO AN EXACERBATION OF THE SITUATION AND REFLECT ON THE JOINT OMISSION.

(D) THERE IS NO DOUBT IN OUR MIND BUT THAT WHAT OAAI IS RECOMMENDING IS THE BETTER PROCEDURE TO FOLLOW. HOWEVER, OTHER TECHNICAL EXPERTS HERE HAVE INDICATED THAT BAWARDY'S POSITION IS NOT WITHOUT MERIT. MOREOVER, HE IS THE MANAGER OF THE POWER STATION AND IN THE FINAL

ANALYSIS, HAS TO MAKE THE DECISION. HE IS IN EFFECT SAYING HE IS PREPARED TO TAKE A RISK THAT LATER TESTING WILL MEAN THE POSSIBILITY OF POWER BEING AVAILABLE LATER, AS OPPOSED TO TWO TESTS WHICH MAY RESULT IN DOUBLING THE RISK OF DISRUPTION OF PRESENT POWER.

(E) IN SUMMARY, OAAI-DETROIT'S PROPOSAL IS PREFERABLE BUT BAWARDY'S POSITION IS APPARENTLY ALSO A VIABLE ONE. AS TO THE QUESTION OF MONEY, IN EITHER CASE THERE LIKELY WILL BE ADDITIONAL FUNDS REQUIRED BUT YOU ARE IN A BETTER POSITION TO TELL US THAT THAN WE ARE FROM HERE. I BELIEVE THAT THE TIME IS APPROACHING WHEN WE NEED TO DISCUSS WITH WALKER WHETHER SOME VARIATION FROM HIS PRESENT STANCE IS POSSIBLE AND TO POINT OUT THAT THIS SITUATION CAN ONLY GET WORSE UNLESS THERE IS SOME SORT OF A SOLUTION. WE
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HAVE SUGGESTED INFORMALLY HERE THE POSSIBILITY OF A LETTER IN WHICH OAAI WOULD RESTATE ITS POSITION AND OUT-LINE THE RISKS INVOLVED IN NOT TESTING AT THIS TIME, ETC. BUT AGREE TO GO AHEAD WITH WHAT BAWARDY DESIRES IF THIS IS HIS WISH SINCE HE IS THE MAN RESPONSIBLE FOR OPERATION OF THE POWER STATION. IN CONCLUSION, THE SUBJECT MAY HEAT UP A GREAT DEAL UNLESS WE REACH A RESOLUTION OF THE

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INFO AMEMBASSY JIDDA

SECSTATE WASHDC 100

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MAJOR ISSUE OF THE TEMPORARY CONNECTION.

(F) WE DOUBT WHETHER DR. AL-TURKI WILL WANT TO
OVVERRULE BAWARDY AGAIN ALTHOUGH WE HAVE NOT RAISED IT
WITH HIM. IN ANY EVENT, I'M NOT SURE IN THE LONG RUN
IT WOULD BE THE BEST APPROACH.
MILLER

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION
Control Number: n/a
Copy: SINGLE
Sent Date: 12-Sep-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
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Expiration:
Film Number: D770329-1231
Format: TEL
From: RIYADH
Handling Restrictions:
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Litigation History:
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
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Review Withdrawn Fields: n/a
SAS ID: 1307425
Secure: OPEN
Status: NATIVE
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TAGS: EAID, SA
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